UNITED
NATIONS

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Economic and Social Council

Distr.
GENERAL

E/1992/82/Add.1
26 June 1992

ORIGINAL: ENGLISH

Substantive session of 1992
29 June-31 July 1992
Item 2 of the provisional agenda for
the high-level segment*

ENHANCING INTERNATIONAL COOPERATION FOR DEVELOPMENT: THE ROLE OF THE UNITED NATIONS SYSTEM

Report of the Secretary-General

Addendum

FOREWORD

1. The high-level segment of the Economic and Social Council - devoted to the theme "Enhancing international cooperation for development: the role of the United Nations system" - provides a most valuable opportunity for the Council to contribute to shaping the future direction of the United Nations and its system of organizations in the economic and social field.

2. This debate takes place at a critical juncture, following the first Summit meeting of the Security Council last January, which represented an unprecedented commitment at the highest political level to the purposes and principles of the Charter of the United Nations, and two major United Nations conferences addressing economic and social issues: the eighth session of the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Conference on Environment and Development, the latter being the largest gathering of heads of State or Government and of the non-governmental community in United Nations history.

3. This is, therefore, a timely opportunity for me to share with members of the Council my views on the most desirable evolution of United Nations structures and actions in the economic and social fields, after my first six

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months in office, my initial discussions with the executive heads of the United Nations system in the Administrative Committee on Coordination (ACC), and the initial steps I have taken to reform the Secretariat.

4. Furthermore, I regard this occasion as a welcome opportunity to add a new dimension to my report on the role of the Organization in preventive diplomacy, peacemaking and peace-keeping by addressing more specifically the responsibilities of the Organization in support of economic and social cooperation.

5. In these past months a conviction has grown among nations large and small that an opportunity has been regained to achieve the great objectives of the Charter: a United Nations capable of maintaining international peace and security, of securing justice and human rights and of promoting, in the words of the preamble to the Charter, "social progress and better standards of life in larger freedom". At the same time, the phase of global transition we are now entering is marked by uniquely contradictory trends.

6. At the international level, the improvement in East-West relations affords unprecedented possibilities to meet successfully threats to common security. At the national level, there is a definite trend throughout the world towards democratization and more open forms of economic policy, which is creating a world-wide sense of dynamism and movement.

7. At the same time, there are no signs that the gap between the North and the South, which continued to widen during the 1980s, is beginning to narrow. This situation is mirrored at the national level, where the gap between the rich and the poor appears to be on the increase in most countries. Growing income inequalities and the lack of minimum standards of living for large segments of the population threaten political stability and often fragile democratic structures, and hamper the implementation of essential structural reforms.

8. While conditions differ from country to country and from region to region, the situation which has characterized most of the developing world in the 1980s - high inflation, large-scale deficits, the burden of debt, inadequate investments, deterioration of physical and social infrastructures - is not yet giving clear signs of qualitative improvement. Adjustment programmes, adopted to remedy the macro-economic situation, have in several instances inflicted additional social hardship.

9. Compounding the challenges which this situation poses for the international community, it is now clear that many problems afflicting the developing world are common to a large number of countries in Eastern Europe and the members of the Commonwealth of Independent States. The new nations of that region are constrained in the structural transformation of their economies by lack of adequate resources, the absence or weakness of technical cadres, outdated production structures, and restricted access to markets for their products.

10. The international community is increasingly aware that the cost of failure here could be a reversal of the trend towards democracy, and lead to social upheaval and unchecked migration, and is beginning to mobilize itself in support of these countries, with the very necessary participation of the United Nations system. It is at the same time important to ensure that these actions do not divert attention from the developing world and contribute to its marginalization.

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11. The great majority of military confrontations and civil wars which have taken place since the founding of the United Nations have occurred in developing countries. While both domestic and external causes often contribute to situations of political instability, the fact that a large segment of the population in the countries concerned cannot satisfy its basic human needs is a crucial underlying factor of instability and conflict.

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12. My experience in dealing with these issues during my first six months in office has confirmed my long-held view that it is futile, if not counterproductive, to separate out the political and the economic and social missions of the Organization. The concept of an integrated approach to cooperation in these areas lies at the heart of the Charter of the United Nations. It needs, however, to be pondered and emphasized anew, after decades of increasing fragmentation of structures and mandates. The concepts of peace-building and preventive diplomacy must be viewed in this light.

13. The linkages between the political and the economic and social missions of the Organization are central to the responsibilities which the Organization is increasingly called upon to fulfil in the field of humanitarian assistance - a role which I have endeavoured to reinforce through the establishment of a new Department of Humanitarian Affairs and the appointment of an Emergency Relief Coordinator. It is also starkly illustrated by the multifaceted, complex nature of operations which the United Nations is increasingly called upon to conduct in countries such as El Salvador, Cambodia and Angola.

14. The linkage is, however, much broader than can be illustrated by the United Nations work related to humanitarian assistance and the rebuilding of nations torn by international or civil war. It stems from the basic premise that the Organization's actions, if they are to contribute to lasting peace, must be directed to addressing at the same time not only the immediate but also the underlying causes of conflict: political oppression, social injustice and blatant economic disparities.

15. The economic and social work of the United Nations is ultimately concerned with building the institutions of peace and the conditions in which peace can endure. In the words of the statement adopted at the Summit meeting of the Security Council, "lasting peace and stability require effective

international cooperation for the eradication of poverty and the promotion of a better life for all in larger freedom".

16. I am convinced that the new international political context offers unprecedented opportunities for progress also in the economic and social sphere. For this to be realized, however, it is essential that actions on both the political and the economic and social fronts be pursued in a mutually supportive and mutually reinforcing way.

17. A first basic conclusion I draw is that support for international economic cooperation and development, based on a comprehensive concept of global, regional and national security, must be viewed as a crucial and integral part of the Organization's responsibilities. This approach accords with the explicit aims of the Charter in the economic and social sphere and reflects the increasingly close relationship between these areas and the maintenance of international peace.

18. A related consideration, in my conception of the role of the Organization, is the interdependence between the promotion of national processes to increase income, wealth and well-being, and the harmonization of international economic policies, aimed at creating an external environment supportive of such processes. While the relative weight to be given to these two sets of functions in the work of the United Nations has been - and should continue to be - adjusted over time, in response to changing perceptions and approaches to development issues, both dimensions should, in my view, continue to figure among the core functions of the Organization.

19. A second important conclusion is that efforts to reinforce democratic institutions and actions in support of human rights and the protection of minorities are essential components of the Organization's contribution to both peace and economic and social progress. A strengthening of the role of the United Nations in these respects must be viewed as an integral part of the task of enhancing international cooperation for development. Again here, recent developments have given strong, renewed confirmation of a basic concept enshrined in the Charter and in the mandate of the Economic and Social Council, which the fragmentation of United Nations structures and debates had sometimes in the past made us lose sight of.

20. As part of the integrated approach to the role of the Organization which I am advocating, the United Nations policy agenda in the economic and social field will need to be reshaped and updated. Two considerations are involved.

21. One is the need to take into account the ramifications of the rapid globalization of the world economy. The globalization of economic activity is creating a world of porous borders - a world where the role of Governments in the spheres of international trade and finance has diminished, where the actions of corporations and other economic actors are often as important as public sector interventions, and where systemic frictions are increasing. There are, in these truly new and rapidly changing circumstances, major gaps in our knowledge about what works and what needs to be done. In particular,

new ways must be found to tackle the increasingly complex interrelationships between trade, finance, investment and technology. It is in connection with this type of issue cutting across institutional boundaries that the United Nations can play a particularly useful system-wide role, through innovative analysis and policy advice.

22. A second important consideration is the emergence and increasingly wide acceptance, at both the national and international level, of a new vision of development, which must be people-centred, equitable and sustainable. A development thrust that ensures sustained global growth shared by all countries, that leads to poverty eradication everywhere and that enhances the physical environment has gained world-wide prominence. Transforming this vision into reality should be seen as a central part of the overall responsibilities of the Organization and a guiding objective in the exercise of its economic and social role.

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23. An integrated approach to the Organization's mission in preventive diplomacy, peacemaking and peace-keeping, interpreted in its widest sense, will demand the concerted attention and efforts of individual States, of regional and non-governmental organizations, and of all bodies of the United Nations system, with each of the principal organs of the United Nations functioning in the balance and harmony which the Charter requires. New approaches to the role of the United Nations in the promotion of international cooperation for development and new approaches to system-wide cooperation and coordination are an integral part of this vision.

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24. The introduction of a more integrated approach to the exercise by the United Nations of its political and economic and social functions would imply changes in the structure and methods of work both of intergovernmental bodies and of the Secretariat.

25. At the intergovernmental level, the present structure of the General Assembly and current approaches to the formulation of its agenda, based on a strict differentiation among political, economic and social issues, do not seem to me to be conducive to the most effective exercise of its unique role as the highest intergovernmental forum within the United Nations system, able to maintain an integrated overview of global issues and to address the root (often economic and social) causes of political difficulties and bring its political influence to bear on their solution.

26. Efforts at reviewing the functioning of the General Assembly, and at making both its structures and agenda more flexible and responsive to these requirements, should be resumed. The same considerations - particularly the need for greater innovation, selectivity and flexibility - should guide a further streamlining of the subsidiary machinery of the General Assembly and the Economic and Social Council.

27. The progress made in enhancing the functioning of the Economic and Social Council itself is to be welcomed. The reforms being introduced in this respect, involving a high-level policy segment and the identification of "coordination" and "operational activities" as the main areas of concentration for its work, would complement well the new proposed approaches to the Assembly's work.

28. These innovations could be furthered by the introduction of a flexible, high-level inter-sessional mechanism, which would enable the Economic and Social Council and its Bureau to respond in a continuing and timely way to rapidly changing developments in the economic and social sphere, maintain a continuing dialogue with organizations of the system in their respective areas of activity, build and expand agreement on common ends and objectives, and adapt the policy agenda in the economic and social field in response to changing requirements. Such a role should be rooted in sound analysis and a sound understanding of developments and global trends - relying on the fact-finding capabilities of the United Nations and the United Nations system. It should encompass an "early warning" function, covering developments and trends that may lead to threats to security and well-being, in areas ranging from energy to debt, from the risk of famine to the spread of disease. This role would need to be supported by high-level expert advice.

29. In the same broad context, in the report prepared pursuant to the Security Council's request, I have recommended that the Security Council invite a reinvigorated and restructured Economic and Social Council to provide reports, in accordance of Article 65 of the Charter, on those economic and social developments that may, unless mitigated, threaten international peace and security.

30. The same objective of promoting a more integrated approach to the work of the Organization, and of enhancing its contribution to global security, is guiding managerial improvements and reforms within the United Nations Secretariat. Improved communication and new methods of work are being introduced to facilitate the required feed-back between political and economic and social activities and to ensure greater flexibility and responsiveness to changing requirements. As an integral part of this effort, the consolidation of various economic and social units of the Secretariat in New York into a single Department for Economic and Social Development was a necessary first step to promote greater coherence of overall United Nations actions in these areas, under the leadership of the Secretary-General.

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31. The experience with this first phase of reorganization is currently being reviewed, while steps are being initiated to extend the reform effort to other parts of the economic and social sectors of the Organization. A main consideration in the forthcoming phases of the reorganization - which will include adjustments, as required, in the new structures put in place in the first phase - will be the introduction of a more effective Organization-wide distribution of responsibilities and a better balance between functions

performed at Headquarters and those that can best be carried out by the regional commissions and the United Nations programmes, based on clear priorities and a well-articulated sense of the comparative advantage of each.

32. In this process, the analytical capacity of the United Nations and its programmes will need to be enhanced and refocused on major cross-sectoral themes - human development, resources for development, the scourge of drugs, the determinants of sustained and sustainable development, linkages between trade, finance, investment and technology - and on the interrelationships among these themes, avoiding duplication with, and drawing systematically on research being carried out by, other organizations of the United Nations system, as well as in the wider academic and non-governmental community. Similarly, it will be desirable to refocus operational activities carried out by the United Nations proper on cross-sectoral areas in which the Organization can prove to possess a unique substantive capacity and a clear comparative advantage within the United Nations system. I will revert to these issues when turning to my approaches to the functioning of the system as a whole.

33. In a review of the functioning of the regional commissions and of United Nations programmes, an important consideration will be to ensure that they perceive their functions - and that they are indeed perceived - as an integral part of the support required by the Security Council, the General Assembly and the Economic and Social Council, and that they are managed as an integral part of the Organization, while at the same time sharpening the special, discrete, substantive features of their respective missions.

34. The aim should be to ensure that the policy advice which the Organization as a whole provides to Governments is coherent, that its component parts draw on one another's resources rather than duplicating them, and that, without detriment to the need to provide the respective intergovernmental bodies with analyses that place issues within their mandates in their broader perspective, there is the necessary measure of selectivity and coordination in coverage. Methods of work will also need to be introduced which promote greater cross-sectoral cooperation in terms both of data gathering and analysis and of the formulation of policy recommendations. I am convinced that these approaches can result not only in continuing savings but also in much greater effectiveness.

35. I should stress in this context that the regional commissions constitute, in my conception of the Organization, a unique asset and an important part of the contribution which the United Nations is in a position to make to the enhancement of cooperation for development. There is a great need - at a time when strengthened regional cooperation holds the key to the resolution of conflicts and to economic and social progress in so many spheres - to exploit better the important potential which the commissions and their secretariats represent, for their constituents and for the Organization as a whole. Similarly, the contribution that United Nations programmes such as the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Environment Programme (UNEP) are in a position to make to the development dialogue in their respective areas needs to be better exploited.

36. The future evolution of United Nations programmes, such as the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF) and the World Food Programme (WFP), as they are concerned with the financing of operational activities, is another key factor in determining the contribution of the Organization as a whole to enhanced international support and enhanced inter-agency cooperation for development. Important issues relating to their operation and governance are already under active consideration, and will be pursued by this Council under a different agenda item. I should like at this stage to offer a few general observations.

37. I firmly believe that the focus of the United Nations must remain on the "field", the locations where economic, social and political decisions take effect. At the same time, for action in the field to be effective, a greater measure of coordination at this level, in support of national action, is essential.

38. A unified United Nations presence at the country level - a single United Nations office - encompassing the funding programmes of the United Nations - UNDP, UNICEF, UNFPA - as well as WFP and the concerned Departments in the United Nations proper, would in my view greatly enhance the effectiveness and impact of the Organization's activities. By promoting a single support strategy at the country level, such a unified presence would be a rallying point for the work of the agencies and also help strengthen the necessary linkages between global strategies and country level activities. I intend to work vigorously in this direction.

39. Better relating global strategies to field activities should also be a main concern in future discussions on intergovernmental governance of operational activities. My earlier comments on the role of the Economic and Social Council are relevant to the question of overall governance of such activities. The future evolution of the Council's work is, in turn, relevant to the consideration of the governance of individual programmes. In the same context, I welcome current proposals and initiatives aimed at placing the financing of operational activities on a more assured and stable basis.

40. An additional general consideration which will guide further efforts at Secretariat reform is the need to strengthen the relationship between research and policy analysis and operational activities, so as to ensure that Member States draw full advantage from the integration into the overall structures of the United Nations of these two sets of capabilities. A more clear-cut distinction between the financing and coordinating role of United Nations funding programmes, on the one hand, and operational functions, on the other, is another requirement which is widely felt among the organizations of the system.

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41. Coherence within the Organization itself can, in my view, greatly contribute to enhanced coherence system-wide. In my continuing review of the functioning and structures of the United Nations and its programmes, an

important consideration will thus be to ensure that reforms effectively contribute to the strengthening of inter-agency cooperation and coordination.

42. In my foreword to the last overview report of ACC, I made a number of points concerning my approach to the functioning of the United Nations system which bear repeating here. I especially emphasized the unprecedented opportunities which the greater willingness of the international community to act through the United Nations offers for all the organizations of the system. I noted that this new situation creates new expectations and new challenges which require a collective response, so as to enable the international community to draw full benefit from the diversity of expertise and breadth of mandates available to the system. I added that the objective should be not only improved coordination of agencies' actions in the different sectors, but also ensuring that the overall capacity of the system for research and policy analysis, finance for development and technical assistance are mobilized in a cooperative, mutually reinforcing way. In the same context, I stressed the need for more flexible methods of work, which would enable the system to respond rapidly to new tasks and challenges as they occur, as well as the importance of concerted efforts for the efficient management of the human and financial resources at the disposal of the system.

43. Another point I have stressed in my discussions with the executive heads of the organizations of the United Nations system represented in ACC is the need to better tap the wealth of information available throughout the system, in support of its "preventive" role, through improved arrangements for the exchange and analysis of that information. In outlining the elements of a more comprehensive approach to preventive diplomacy, I noted that the system has been developing a valuable network of early warning systems concerning environmental threats, the risk of nuclear accidents, natural disasters, mass movements of populations, the threat of famine and the spread of disease. A more systematic cooperative effort is required to pool and analyse this information and also to synthesize it with political indicators into a strong, system-wide early warning capability.

44. The basis for pursuing effectively these approaches must be a clear concept of the distribution of responsibilities within the system.

45. As I have already noted, the main emphasis in the work of the United Nations itself, including its programmes and regional commissions, should be on the development and promotion of comprehensive frameworks for action to advance economic and social cooperation, as part of an integrated approach to peace-building and collective security.

46. In the same context, the functions of the United Nations relating to inter-agency cooperation and coordination should be exercised with greater flexibility and in a new perspective, with emphasis less on traditional approaches and mandates and more on better anticipation of, and rapid adaptation to, emerging trends. A continuing concern of the Organization in this respect should be to ensure that the actions being taken throughout the system are supportive of the requirements of developing countries and

countries in transition and responsive to evolving perceptions of the nature of development and its relationship to the global interest.

47. This role must be complemented by practical coordinated actions to assist developing countries to participate more effectively in international affairs and international negotiations, take fuller advantage of international instruments, and enhance their domestic capacities for development. In this context, United Nations technical assistance should be strengthened in areas - such as the promotion of democratic institutions, the conversion of military structures to productive uses and the training of diplomats and technicians - where the Organization is uniquely suited to help meet current needs.

48. In exercising both its global and its operational responsibilities, the Organization should - as I have already emphasized - rely more consistently and systematically than before on the research and operational work of both the financial institutions and the sectoral agencies.

49. The Bretton Woods institutions have the technical and financial resources to promote macro-economic adjustment and create the conditions to enhance monetary stability, investment and growth. Other specialized agencies possess a great deal of expertise and experience in the various economic and social sectors for which they are responsible. A common thread in the mandate and substantive role of these agencies is to contribute to sustained and sustainable development and, to that end, to tap the potential of the more vulnerable sectors of production and of vulnerable groups.

50. While views may vary on an ideal institutional framework for international cooperation, it seems to me that there are evident complementarities built into the existing structures of the system that can and should be better exploited.

51. While there should continue to be room within the system for differences, if rigorously founded, in policy prescriptions, there must be a strengthened effort on the part of all to contribute to common goals. This must be accompanied by mutual acceptance of the complementary roles which each part of the system is called upon to play.

52. The relationship between the sectoral agencies and the Bretton Woods institutions is a central issue in this context. A consequence of the responsibilities and comparative advantage - both technical and financial - of the Bretton Woods institutions in respect of macro-economic policy reform and adjustment, is the major contribution which these institutions, in promoting world-wide stability, are in a position to make also to poverty alleviation and to advancing human development. In that respect, the expertise of other organizations of the system, if coherently articulated, can be a valuable source of inputs and advice as to the policy mix and the pacing and sequencing of measures, which can best contribute to the achievement of positive social benefits from the adjustment and restructuring programmes undertaken by the Bretton Woods institutions. The potential for positive synergy here is great and should not be missed.

53. The role which ACC can play in further developing these approaches and translating them into practical action is critical. ACC must be the guiding force in introducing greater coherence in the work of the United Nations system in response to the policies and priorities set by Member States, and ensuring that the initiatives launched, and the activities undertaken by the various organizations, are complementary and mutually supporting. ACC has initiated a review of its own functioning and methods of work, with a view to enhancing its contribution to these objectives.

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54. I attach great importance to enhanced collaboration with regional institutions and non-governmental organizations. I was glad to see that at both the eighth session of UNCTAD and the United Nations Conference on Environment and Development that need was strongly emphasized. Indeed at the latter Conference, the non-governmental community was a critical source of technical inputs and political impulses. It is evident that the United Nations could benefit more fully from the diversified contributions that non-governmental organizations can provide, as well as from more systematic interaction with them. I intend to rely increasingly on their cooperation and support.

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55. I left Rio de Janeiro a few days ago, at the conclusion of the Earth Summit, with a deep sense of concern about the challenges of the future but also with a feeling of satisfaction that a significant advance has been made at placing women and men at the centre of United Nations concerns, and bringing to the fore the crucial linkages between development and the protection of the environment. The Conference also conveyed most strikingly the political dimensions of development, in their deepest meaning. The Conference was above all concerned with preparing nations and people for the future. The Organization, through the proposed high-level Commission on Sustainable Development, will monitor and promote sustained and concerted follow-up. And the United Nations system has, through Agenda 21, a new, important framework for the effective coordination of activities.

56. I regard the discussions which have been initiated in the General Assembly on the possible convening of a summit on social development as going to the heart of another key dimension of current threats to global security. By building on the outcome of the United Nations Conference on Environment and Development, addressing the root causes of poverty, underdevelopment and lack of basic human rights, and promoting integrated economic and social policies, simultaneously concerned with both growth and equity, such a summit could greatly advance the cause of a more just and peaceful future, and of a more coherent contribution by the United Nations system to that cause.

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57. In conclusion, let me stress that it would be mistaken to try to attach an order of importance or priority between peace and security on the one hand and economic and social development on the other. The two are so closely interlinked as to be indivisible: there can be no true peace without economic and social development, just as development is not possible in the absence of peace and security.